

Tricks and Treats?

October 31, 2024

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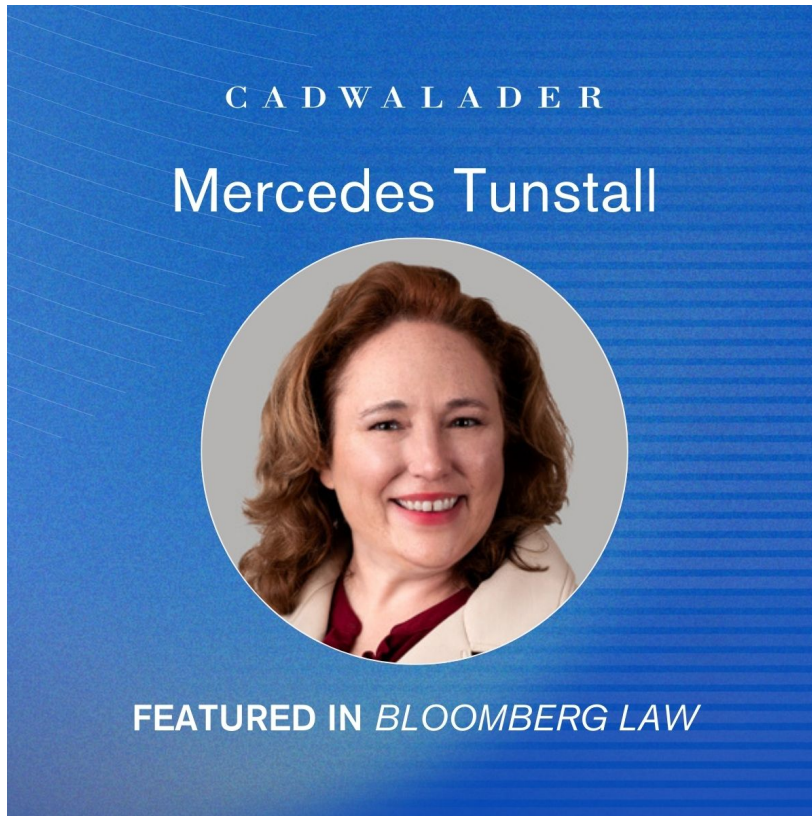
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Traditional Banks Find Little Solace in CFPB Rule: Legal Insight

October 31, 2024



By Mercedes Kelley Tunstall
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The Consumer Financial Protection Bureau is confident that newcomer fintechs have built a better mousetrap for consumers to manage their day-to-day finances, as compared to the banks and credit unions that have been serving consumers for many years.

Cadwalader's Mercedes Tunstall dives into the new CFPB open banking rule in a recent *Bloomberg Law* article.

Read more [here](#).

The UK Proposes Changes to the Prudential Treatment of Securitisations

October 31, 2024



By Alix Prentice
Partner | Financial Regulation

In Discussion Paper [DP 13/24](#), the UK's Prudential Regulation Authority ("PRA") has set out its near-final proposals to restate the relevant provisions in the assimilated Capital Requirements Regulation (the "CRR") in the PRA Rulebook, as well as other policy material including supervisory statements or statements of policy.

While much of DP 13/24 is made up of non-material amendments, Proposal 1 sets out significant changes to the PRA's final position on adjusting the p-factor within the securitisation standardised approach ("SEC-SA"). As set out in our previous [note](#), the PRA had been considering three options to address the conservative level of non-neutrality in SEC-SA relative to SEC-IRBA, and has elected to make adjustments in Pillar 1 by allowing a new formulaic p-factor option for securitisations using the SEC-SA approach.

The PRA proposes to modify the SEC-SA so that, for each securitisation, firms using SEC-SA can elect to use either the existing fixed p-factor (where $p=1$ for securitisations that are not simple, transparent and standardised (STS) and $p=0.5$ for STS securitisations) or the proposed formulaic p-factor. The new SEC-SA option would be available both for capital calculations and for output floor calculations and is based on the p-factor in the SEC-IRBA calculation. The formulaic p-factor in SEC-SA would be subject to a floor of 0.5 and a cap of 1 for non-STS securitisations, and a floor of 0.3 and a cap of 0.5 for STS deals.

Next Steps

Responses are due by 15 January 2025.